



For Immediate Release  
October 22, 2007

Contact: Chris Ford or Vanessa Caise  
(859) 258-3070

## Lexington Announces Campaign to Fight Foreclosure and Predatory Lending

The *Don't Borrow Trouble®* Kentucky Lexington work group held a press conference on Monday, October 22, 2007, at 10 a.m., at the LFUCG Government Center Lobby, 200 East Main Street to announce their campaign to fight foreclosure and predatory lending in the city.

According to the most recent 2007 data from the Mortgage Bankers Association, Kentucky has a 1.9 percent foreclosure rate which is the fourth-highest rate in the nation. The state had 8,142 mortgages in foreclosure, including about 2,700 that were filed from March to June. Kentucky has more than 5,000 additional mortgages, or almost 1.2 percent, that are 90 days late. Predatory lending is destroying the American dream of homeownership and putting families' homes and futures in jeopardy.

Kentucky is making a stand against predatory lending with the *Don't Borrow Trouble® Kentucky* education and awareness campaign. Predatory lending is an abuse of lending and credit practices that prey on a person's lack of information and other vulnerabilities with high-pressure sales tactics. Lexington has joined the *Don't Borrow Trouble®* Kentucky campaign to combat predatory lending in this area. *Don't Borrow Trouble®* combines a public education campaign with financial counseling that educates consumers about the dangers of predatory lending. This campaign will help educate Lexington residents about making smart financial decisions regarding mortgages, rent-to-own stores, check cashing centers and other fringe lending businesses.

Kentucky Housing Corporation and the Kentucky Predatory Lending Prevention Committee are sponsoring the *Don't Borrow Trouble®* Kentucky campaign and, working with a coalition of over 20 organizations, hope to help prevent predatory lending around Kentucky. *Don't Borrow Trouble®* was pioneered in Boston by Mayor Thomas M. Menino and the Massachusetts Community Banking Council and is being expanded nationally by Freddie Mac.

"A growing number of home buyers, as well as homeowners in the market for refinancing, may be persuaded by dishonest lenders to sign loans with unrealistic rates and/or terms buried in the fine print," said Ben A. Cook, chief executive officer, Kentucky Housing Corporation. "This practice has led to an increase in bankruptcies and foreclosures, which can have a devastating impact on families." Kentucky Housing is the state housing finance agency and a member of the Kentucky Predatory Lending Prevention Committee.

*Don't Borrow Trouble®* Kentucky provides a toll-free number to consumers, (866) 830-7868, to help reduce or eradicate predatory lending practices, coordinate access to consumer assistance, increase financial counseling opportunities, reduce foreclosures and promote the purchase of affordable loans.

For more information about Lexington's *Don't Borrow Trouble®* Kentucky campaign, please contact Chris Ford or Vanessa Caise at (859) 258-3070.